

TERMS OF REFERENCE OF NOMINATION COMMITTEE

(Version 1.1)
(Revised on 15 November 2024)

1. OBJECTIVES

The principal objective of the Nomination Committee (“NC”) is to assist the Board of Directors (“the Board”) of Ornapaper Berhad (“Ornapaper” or “the Company”) and its subsidiaries (“the Group”) in fulfilling their responsibilities in recommending appointment and re-appointment to the Board and Board Committees (including Key Senior Management). The NC is also responsible for ongoing assessment of the Directors performance and overseeing succession planning and talent management for the Board and Key Senior Management across the Group.

“Key Senior Management” refers to a person/persons, who in the opinion of the Company, is/are the key senior management of the Group, and must include a person/persons who is/are primarily responsible for the business operations of the Company’s core business and principal subsidiaries.

2. COMPOSITION OF MEMBERS

The Board shall elect the NC members from amongst themselves and shall consist of not less than three (3) members.

NC shall be composed exclusively of Non-Executive Directors with a majority of them being Independent Directors.

No alternate director shall be appointed as a member of NC and the Chairman of the Board should not be a member or Chairperson of the NC.

3. CHAIRPERSON

The Chairperson of the NC shall be elected from amongst the members of the NC who shall be an Independent Director. The Chairperson of the NC shall also be approved by the Board.

In the absence of the Chairperson during a meeting, the other Independent Director shall be elected to be the Chairperson for that meeting.

The Chairperson’s roles are to:-

- (a) lead the succession planning and appointment of Board members, and oversee the development of a diverse pipeline for Board and management succession, including the Executive Chairman, Directors and the Chief Executive Director (“CED”);
- (b) lead the annual review of Board effectiveness, ensuring that the performance of each individual Director and Chairman of the Board is independently assessed.

4. SECRETARY

The Company Secretary of the Company shall be the Secretary of the NC.

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5. MEETINGS

The NC may meet together for the despatch of business, adjourn and otherwise regulate their meetings, at least once a year or more frequently as deemed necessary. The Chairperson may call for additional meetings at any time at the Chairperson's discretion.

The Secretary shall on the requisition of the members of the NC summon a meeting of the NC except in the case of an emergency, reasonable notice of every NC meeting shall be given in writing.

Questions arising at any meeting of the NC shall be decided on a majority of votes of the members present, and in the case of equality of votes, the Chairperson of the NC shall have a second or casting vote.

A member of NC may participate in a meeting of NC by means of a telephone conference or video conference or any other means of audio-visual communications and the person shall be deemed to be present in person at the said meeting and shall be entitled to vote or be counted in a quorum accordingly.

A member of the NC shall excuse himself/herself from the meeting during discussions or deliberations of any matter which gives rise to an actual or perceived conflict of interest situation for him/her.

Other Directors or employees may attend any particular NC meeting upon the invitation of the NC specific to the relevant meeting.

The NC shall have access to such information and advice, both from within the Group and externally, as it deems necessary or appropriate in accordance with the procedures determined by the Board at the expense of the Company.

6. QUORUM

A quorum shall consist of two (2) members, both of whom must be Independent Directors.

7. MINUTES

Minutes of each Meeting shall be kept at the registered office and distributed to each member of the NC and also to the other members of the Board.

The Minutes of the NC Meeting shall be signed by the Chairperson of the NC at which the proceedings were held or by the Chairperson of the next succeeding meeting.

8. CIRCULAR RESOLUTIONS

A resolution in writing signed by a majority of the NC members for the time being shall be as valid and effectual as if it had been passed at a meeting of the NC duly called and constituted.

Any such resolution may consist of several documents in like form each signed by one (1) or more NC members. Any such document may be accepted as sufficiently signed by a NC member if transmitted to the Company by telex, telegram, cable, facsimile or other electrical/electronic or digital written message purporting to include a signature of a NC member.

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9. AUTHORITY

The NC shall, in accordance with a procedure or process determined by the Board and at the expense of the Company,

- (a) annually review the required mix of skills and experience and other qualities, including core competencies which Non-Executive and Executive Directors should have, including the ability to tackle questions and deliberate on sustainability matters, as well as evaluate the sustainability risks and opportunities, and make informed decisions on the matter.
- (b) assess on an annual basis, the effectiveness of the Board as a whole and the Board Committees and contribution of each Director (individual new Independent Directors, as well as the CED).
- (c) have full and unrestricted access to information, records, properties and employees of the Group;
- (d) be entitled to the services of a Company Secretary who must ensure that all appointments are properly made, and that all necessary information is obtained from Directors, for the Company's records and to meet statutory obligations, as well as obligations arising from the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") or other regulatory requirements.
- (e) be able to engage independent professional advisers or other advisers and to secure attendance of outsiders with relevant experience and expertise if it considers this necessary.

10. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the NC are as follows:-

- To establish minimum requirements for the Board and the CED to perform their responsibilities effectively. It is also responsible for overseeing the overall composition and diversity of the Board in terms of the appropriate structure, size and mix of skills, experience, background, gender, age, ethnicity and the balance between Executive, Non-Executive and Independent Directors, as well as other core competencies required, through annual reviews;
- To consider and recommend candidates for appointment as Directors and members of Key Senior Management of the Company and its subsidiaries to the Board per the **Fit and Proper Policy** and **Policy and Procedure on Nomination and Appointment of Director and Senior Management and Re-Appointment of Director**, respectively. The recommendation shall take into consideration the candidate's probity, personal integrity, reputation, financial integrity possessed, required experience, competency and time and commitment they can bring to the Board and Key Senior Management.
- To ensure in identifying suitably qualified candidates, the NC must not solely rely on the recommendations from the current Board members, management or major shareholders of the Company. The NC should also utilise independent sources such as sourcing from a directors' registry and open advertisements or use of independent search firm to identify suitably qualified candidates. If the selection of candidates was

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solely based on recommendations from the existing Board members, management or major shareholders of the Company, the NC should explain why these source(s) suffice and other sources were not used.

- To review and recommend to the Board the Director of the Company and its subsidiaries seeking re-appointments, considering the required probity, personal integrity, reputation, financial integrity, results of performance evaluation, experience, competency and the time and commitment the Director brings to the Board and Board Committee of the Company and its subsidiaries per **Fit and Proper Policy and Procedure on Nomination and Appointment of Director and Senior Management and Re-Appointment of Director**.
- To evaluate the ability of candidates for the position of Independent Non-Executive Director to discharge such responsibilities and functions as expected from an Independent Non-Executive Director. In this regard, the NC should evaluate candidates' backgrounds, current activities and his/her ability to act independently from management when discharging such responsibilities as would be expected from an Independent Non-Executive Director.
- To consider and recommend to the Board for approval, the appropriate size of the Board and Board Committees of the Company to facilitate effective decision-making after taking into consideration the scope and nature of the operations of the Group.
- To ensure that individuals standing for appointment as a Director or member of Key Senior Management should make the necessary declaration to the Board and shareholders on any existing or potential conflict of interest, including whether they have a business, family or other special relationship within or outside of the company that could affect the execution of their role as Directors on the Board or member of Key Senior Management of the Company and its subsidiaries.
- To review the size of Non-Executive Directors' participation, current composition of the Board and the tenure of each Director on the Board as well as determine if additional Board members are required for the need to bring new skills and perspective to the boardroom.
- To assess the effectiveness of the Board as a whole, Board Committees and the contribution of each Director annually based on established and approved assessment criteria. All assessments and evaluations carried out by the NC in the discharge of all its functions shall be properly documented. This process should be coordinated by the NC, with the assistance of the Company Secretary. NC shall present the result of the review to the Board and recommend any training if needed.
- The performance evaluations of the Board and Key Senior Management shall include a review of their performance in addressing the Company's material sustainability risks and opportunities. The assessment and evaluation must be disclosed in the Annual Report and Corporate Governance Report and such disclosure must include the following aspects:
 - (a) the application of the Fit and Proper Policy in the nomination, appointment and re-appointment of Directors, including the policy on board composition having regard to the mix of skills, independence and diversity (including gender diversity)
 - (b) how the evaluation was conducted, the criteria used such as the assessment of fit and properness, contribution and performance, calibre and personality of Directors and Key Senior Management including their character and integrity, experience and competence and time and commitment;
 - (c) whether an independent expert was engaged, or whether it was internally facilitated;

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- (d) key strengths and/or weaknesses that were identified from the evaluation; and
 - (e) steps or enhancements proposed to be undertaken to mitigate or address the weaknesses identified; and
 - (f) impact of the evaluation on board composition (if any).
- To review the performance of the Audit Committee (“AC”) and the term of office and performance of each member of the AC.
 - To develop and review the criteria used for the process of nomination and selection of new Directors and members of Key Senior Management and annual assessment of the Board, Board Committees and individual Directors.
 - To ensure every Director is subject to retirement at least once every three (3) years and to recommend to the Board the candidates for re-election, to be approved by shareholders, pursuant to the Company’s Constitution.
 - To ensure that shareholders have the information required to make an informed decision on the appointment and re-appointment of a Director, including the declaration of any conflict of interest and independence (for re-appointment of Independent Director), together with a statement with reasons as to whether it supports the appointment or re-appointment of the candidate.
 - To assess the independence of each Independent Director and ensure that at least one-third (1/3) of the Board is independent if less than half of the Board comprises Independent Directors. NC shall conduct independence assessment based on criteria and procedures per the **Policy on Independence Assessment of Independent Directors**.
 - To formulate and review the nomination, selection, appointment and succession policies and plans for members of the Board, Board Committees and Key Senior Management.
 - To identify the training needs of individual Directors and shall from time to time identify suitable orientation, educational and training programmes for continuous professional development of Directors in ensuring they receive appropriate continuous training programmes (including sustainability management) in order to keep abreast with developments in the industry and with changes in the relevant statutory and regulatory requirements.
 - To oversee the development of a succession planning framework and talent management for the Board members of the Company and Key Senior Management of the Group and regularly review succession planning for all Directors and Key Senior Management to promote Board renewal and address any vacancies.
 - To act in line with the directions of the Board.
 - To consider and examine such other matters as the NC considers appropriate.

11. SHAREHOLDERS’ MEETING

The Chairman of the NC should attend the Shareholders’ Meeting to answer any shareholder’s questions on the NC’s activities, particularly on areas pertaining to proposed resolutions concerning the appointment or re-appointment of Directors or the retention of an

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Independent Director who has served the Company for a cumulative period of nine (9) years.

12. REPORTING

The NC shall report to the Board, either formally in writing or verbally, as it considers appropriate on the matters within its terms of reference at least once a year, but more frequently if it so wishes.

The NC shall also report to the Board on any specific matters referred to it by the Board.

The Chairperson of NC shall report on the proceedings of each Meeting to the Board.

13. REVIEW OF THE TERM OF REFERENCE

The Terms of Reference shall be reviewed and updated at least once every three (3) years by the NC or as and when there are changes to the Malaysian Code on Corporate Governance (“MCCG”) and MMLR that may have an effect on the discharge of the NC’s responsibilities.

The NC should recommend any change to the terms of reference to the Board for approval.